



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

May 4, 2006

MORTGAGEE LETTER 2006- 9

**TO: ALL APPROVED MORTGAGEES
ALL APPROVED APPRAISERS**

**SUBJECT: Revisions to Appendices A and C to Handbook 4150.2 Change 1, Valuation
Analysis for Home Mortgage Insurance for Single Family One- to Four- Unit
Dwellings**

In a continuing effort to reform and update its appraisal reporting requirements, the Federal Housing Administration (FHA) has updated and revised Appendices A and C of Handbook 4150.2. Prior to these revisions, Appendix A was comprised of appraisal guidance on two unrelated program areas, Real Estate Owned (REO) properties and Native American Tribal Trust Lands. Appendix C contained outdated and no longer pertinent valuation guidance. This Mortgagee Letter announces the issuance of revised Appendix A and C to Handbook 4150.2, Valuation Analysis for Home Mortgage Insurance for Single Family One- to Four- Unit Dwellings. Revised Appendix A provides updated guidance for the performance of appraisals in which the property being appraised is a HUD REO property. Revised Appendix C provides updated guidance for the performance of appraisals in which the property being appraised is located on Native American Tribal Trust Lands.

FHA Roster Appraisers are reminded to rely upon the guidance provided in Revised Appendix D: Valuation Protocol, issued as an attachment to Mortgagee Letter 2005-48, unless the guidance is countermanded by that provided in Revised Appendices A and C, in which case, the guidance in the revised appendices shall prevail.

If you have any questions regarding this Mortgagee Letter, please contact the FHA Resource Center at 800-225-5342.

Sincerely,

Brian D. Montgomery
Assistant Secretary for Housing-

Federal Housing Commissioner

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Official Record Copy U.S. Department of Housing and Urban Development form HUD-713.1 (02/03) Previous edition is obsolete.

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APPENDIX A: VALUATION OF REAL ESTATE OWNED PROPERTIES

A-1 REAL ESTATE OWNED (REO)

FHA's Real Estate Owned (REO) properties are a result of paying a claim to a lending institution and the lender transferring ownership of the property to HUD. Typically, title to REO properties is held by the lender prior to transfer to HUD due to the borrower's default on the mortgage.

The appraisal process is HUD's primary tool for determining the listing price of FHA REO properties. FHA appraisers provide preliminary verification that FHA's Minimum Property Requirements (MPR) for existing housing and Minimum Property Standards (MPS) for new construction have been met for properties evaluated as "insurable" or "insurable with repair escrow" prior to being listed for sale.

A. Appraiser Requirements for REO properties

Requirements for appraisers who perform REO appraisals are the same as for appraisers of any other property type. An appraiser of REO property must be state licensed or certified in the state in which the property is located and listed on the FHA Appraiser Roster.

B. Appraisal Requirements for REO properties

Per Mortgagee Letter 2005-34 and Revised Appendix D to Handbook 4150.2, the appraiser must report the appraisal on the applicable property specific revised Fannie Mae appraisal reporting form.

Under "Assignment Type" in the Subject Section of the applicable property specific appraisal reporting form, the appraiser is to mark the box labeled "other" and indicate that the property being appraised is a HUD Real Estate Owned (REO) property. If the appraiser is performing a land only appraisal which is not reported on a Fannie Mae appraisal reporting form, the appraisal must note, in bold font, that the property being appraised is a REO property in the section of the report providing information on the subject property.

The guidance provided in Appendix D, Appraisal Protocol, to Handbook 4150.2, applies equally to REO properties, unless otherwise indicated in the guidance presented in this appendix.

REO properties are to be appraised "as-is". The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute defines an "as-is" value as follows:

"The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning."

The "as-is" value is the market value for the property as it exists on the effective date of the appraisal.

The appraisal report shall consist of the applicable property specific appraisal reporting form, all required exhibits and a copy of the Property Condition Report (PCR).

M&M contractors are required to complete a PCR prior to ordering an appraisal of a REO property. The PCR contains information specific to the condition and functionality of the property. Prior to performing a site visit of a REO property, the appraiser must be provided a copy of the PCR by the M&M contractor.

The appraiser must coordinate a specific time for a full site inspection of the property with the property manager. Generally, a REO property is secured with the utilities de-activated. The appraiser should request that the M&M contractor make sure the utilities, including the mechanical systems, are activated at the time the appraiser makes the property inspection. If an appraisal is completed without the utilities turned on and/or the mechanical systems functioning, the appraiser must note this in the appraisal report and must rely upon the information provided by the M&M contractor in its Property Condition Report (PCR); reference the PCR in the applicable sections of the appraisal report (condition of property or physical deficiencies) as well as append a copy of the PCR to the appraisal report.

There will be occasions when the appraisal of a REO property may involve extraordinary conditions which dictate additional research, documentation and due diligence on the part of the appraiser. For example, a single family property that features a second unit which is an illegal use due to non-compliance with the local zoning code/regulations, the appraiser must provide an estimate of the costs necessary to bring the property into compliance. The appraiser should provide documentation for such conclusions, such as a copy of the pertinent portion of the zoning code and a summary of any discussions with local authorities. When appraising a REO property that is impacted by complex or extraordinary circumstances, the appraiser must contact the M&M Contractor for guidance and clarification before completing the appraisal. The M&M Contractor may, in turn and in cases of problematic appraisals, seek additional guidance from the Homeownership Center that has jurisdiction over the locality where the property is located. Any discrepancies between the information contained in the PCR and what the appraiser observed during the inspection of the property must be noted and highlighted in the appraisal report.

A land appraisal may be warranted when the improvements are in such deteriorated condition as to provide no contributory value to the property or when condemnation proceedings by the local authority have acquired the improvements in part or in their entirety. In such cases, when the supporting land represents the value of the property, the appraiser must report the appraisal on a form or in a narrative format that must address, at minimum, the following:

- Detailed information similar in scope to the Subject section of Fannie Mae Form 1004 March 2005 (Uniform Residential Appraisal Report) including, but not limited to, property address, legal description, owner of record, occupancy, assessment/tax information, and property rights appraised.
- Detailed information similar in scope to the Site section of Fannie Mae Form 1004 March 2005 (Uniform Residential Appraisal Report) including, but not limited to, size, zoning, highest and best use, shape, topography, drainage, utility availability, and location in a FEMA designated Special Flood Hazard Area.

- A sales grid similar in scope to that presented in the Sales Comparison Approach section of Fannie Mae Form 1004 March 2005 (Uniform Residential Appraisal Report) including, but not limited to, detailed information on three comparable sales, attributes, number of comparable unimproved sale properties and offered/listed for sale properties.

Form FW 68, Land Appraisal Report, is an acceptable reporting format.

The appraiser must adjust the sales of comparable, unimproved building lots/sites for differences in location, size, zoning, utility connection and/or availability, site improvement and any other pertinent factors. Any costs incurred in razing the existing improvements and/or clean up should be extracted from the value of the supporting land to arrive at a final conclusion of value.

C. Scope

The appraiser must develop and report the appraisal in accordance with the scope of work requirements established by USPAP and HUD/FHA.

D. Contractual Responsibility of Appraisers

The appraiser is hired by the M&M contractor and, therefore, has a contractual responsibility to the M&M contractor. Additionally, as with any appraisal performed for a HUD/FHA program, the appraiser has an obligation to perform appraisal services commensurate the standards and requirements of HUD/FHA.

E. Intended Use of Appraisal

The intended use for an REO appraisal is to estimate the "as is" market value of the property in order to provide a basis for determining the listing price of the property for marketing purposes.

F. Intended User

The intended user of a REO appraisal is the M&M contractor, the lender (under certain circumstances) and HUD/FHA.

G. Statement of Insurability

The following definitions shall apply to the insurability of a REO property:

Insurable: Properties marketed as "insurable" are those that meet FHA's Minimum Property Requirements (MPR) for existing housing and Minimum Property Standards (MPS) for new construction at the time of the appraisal in their as-is condition without repairs being necessary.

Insurable With Repair Escrow: A property that requires no more than \$5,000 for repairs to meet FHA's MPR or MPS as estimated by the PCR and as reviewed and determined to be reasonable by the appraiser, is eligible to be marketed for sale in its as-is condition with FHA

mortgage insurance available, provided the purchaser(s) establishes a cash escrow to ensure the completion of the required repairs. Purchaser(s) are permitted to include in the mortgage an amount equal to 110% of the estimated cost of the repairs.

Uninsurable: Properties offered for sale "Uninsured" do not meet, in their as-is condition, FHA's MPR or MPS and the cost of repairs identified by the appraiser, to meet MPR or MPS, are estimated to exceed \$5,000. Uninsurable properties can qualify for FHA's Section 203(k) rehabilitation program and, depending upon the scope and extent of repairs needed, the Streamlined (k) Limited Repair Program.

A Statement of Insurability, in bold font, must be included in the Comment section of the appraisal report. This Statement of Insurability shall indicate if the property can be sold with FHA mortgage insurance (meets MPR if existing construction or meets MPS if new construction) either (1) in its "as-is" state without repairs or (2) in its "as-is" state with repairs costing \$5,000 or less with repair escrow or (3) uninsurable. In appraising REO properties, as with the performance of any FHA appraisal, a FHA Roster appraiser must denote any deficiency to the supporting site or improvements in the appraisal report. The appraiser is to note those repairs necessary, together with a cost to cure, to bring the property into compliance with either MPR or MPS.

The marketing categorization, "Insurable with conditions", introduced in Mortgagee Letter 2000-27 and defined under "HUD REO Marketing Approaches" is no longer available. All other instructions and requirements outlined in Mortgagee Letter 2000-27 remain unchanged except where updated by the guidance and requirements provided in Mortgagee Letters 2005-34 and 2005-48.

H. Effective Date of Value

The effective date of value is the date when the appraiser performs the site visit for the subject property. If another date is used as the effective date, the appraiser must specifically indicate:

- the alternative date (with detailed explanation of why)
- the date when the subject property was physically inspected

I. Additional Appraisal Requirements

The appraiser must value the subject property from the information gathered and arrive at an estimated market value of the subject property based on the requirements detailed in the Appraisal Protocol, issued as an attachment to Mortgagee Letter 2005-48.

A building sketch is required, but a floor plan or room layout of the property is not required unless there is evidence of functional obsolescence. Representative interior photos are required in cases where there is significant interior repair (in excess of \$5,000 repair costs) required.

A-2 Sales Comparison Approach

Typically, the Sales Comparison Approach is the most applicable approach to estimate the

market value of a REO property. Appraisers may utilize sales comparables from other REO transactions **only** when such sales are deemed to be the best available for the market area **and** they meet all of the following criteria:

- located in the subject neighborhood or reasonable proximity
- comparable property subject to reasonable adjustment
- sold with a willing buyer and seller
- exposed to the market for a reasonable period

Appraisers are reminded that an explanation, as well as support, must be provided for any adjustments to the sales price of comparable sales that exceed the guidelines set forth in Revised Appendix D: Appraisal Protocol, pages D-31, D-68, D-98 and D-127, attachment to Mortgagee Letter 2005-48.

Inclusion of vacancy rates, rates of foreclosure and a discussion of foreclosure sales in the subject's market area may be used as additional support for reliance on sales of other REO transactions.

Do not use distressed sales such as Sheriff Sales. These sales do not involve a willing seller nor are they exposed to the market under normal conditions. The resulting value indication derived from the use of such sales is not consistent with the definition of market value.

A-3 Reporting Requirements

As with any appraisal performed by a FHA Roster Appraiser, an REO appraisal must be performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Other reporting requirements are as follows:

- With each appraisal, the appraiser must provide a list of any buyer incentives that would enhance the marketability of the property to provide an incentive to buy the property unrepaired as opposed to repaired.
- For all property constructed before 1978, the appraiser must condition the appraisal on the completion of a lead-based paint test.
- For appraisals of vacant lots (land), complete a land appraisal report form.

APPENDIX C: APPRAISAL OF SINGLE FAMILY HOMES ON NATIVE AMERICAN LANDS

C-1 OVERVIEW

For purposes of this appraisal guidebook, if a lender specifically needs an appraisal under HUD/FHA's Section 248 program on Tribal Trust land or for HUD's Office of Native American Program (HUD/ONAP) Section 184 on Tribal Trust, allotted (which is also known as individual trust) and fee simple lands, these guidelines will apply. If the property is on allotted (or individual) trust or fee simple land located on Native American Reservations and it will be mortgaged under HUD/FHA's Section 203(b), the appraiser must use the basic appraisal methodology addressed in this handbook.

Within designated Native American Reservations, treaties and tribal laws have created a variety of ownership patterns. Some parcels may be unrestricted fee simple, other parcels restricted tribal trust or allotted trust land. The appraiser must be familiar with the different restrictions and develop a reasonable value for the subject property. Following are the general designations.

C-2 PROPERTY RIGHTS APPRAISED

A. FEE SIMPLE UNRESTRICTED

Fee simple unrestricted ownership is ownership real property which may be bought, sold and transferred between Native American or non-Native American purchasers without review by the Tribe or Bureau of Indian Affairs, (BIA). For the HUD/FHA Section 203(b) program, appraisals must conform to all other standard HUD appraisal policies. For the HUD/ONAP Section 184 program, fee simple land on a reservation, the procedures utilized for tribal trust and allotted trust may be followed.

B. TRIBAL TRUST LANDS

1. Restricted Trust Land is land held by an individual Indian or Tribe which is subject to Federal restriction against alienation or encumbrance. Before any lien can be placed against restricted land, the transaction must be approved by the Bureau of Indian Affairs (BIA). All HUD loans must comply with this requirement and provide evidence in the HUD loan file. Lenders are encouraged to make contact with the appropriate BIA and Tribal realty officers early in the loan processing.

Tribal trust lands are held in trust for the tribe by the United States government. Tribes may lease portions of the tribal trust land for the use of specific individuals, but ownership, through the Federal trust, remains with the tribe.

HUD/FHA's Section 248 insures mortgages and HUD/ONAP's Section 184 guarantees mortgages on homes that are located on Native American Tribal Trust Land. For these properties, leased ownership of the underlying land remains with the tribe and will be subject to a long-term 50-year ground lease (or a 25 year lease with a 25 year renewable term). Determining the value for the leasehold estate is the purpose of the appraisal and the subsequent use is to provide supporting documentation for a HUD

insured or guaranteed mortgage. Mortgages on tribal trust sites must include an acceptable lease signed by the mortgagor and Tribal authority and approved by the BIA.

2. Allotted (or individual) Trust Land is land owned by individual tribal members but held in trust by the United States government. It is common for allotted trust lands to be owned by several individuals. If a prospective borrower proposes to use all or a portion of a fractionated property, all other owners must indicate acceptance of this arrangement by becoming parties to the mortgage or subdividing the subject parcel out to the individual for undivided ownership.

Mortgages on allotted (or individual) trust sites do not involve a lease, but a specific mortgage rider is required. All HUD loans must have a Deed of Trust Rider attached approving the mortgage pursuant to 25 USC 483 (a) and approved by the BIA.

HUD/ONAP's Section 184 guarantees mortgages on allotted trust land. Allotted trust land is held in trust by the federal government for individual Native Americans. The land is owned by the individual and value is given for the land. When appraising allotted trust land for Section 184, appraisers may follow the method given for Tribal Trust Land.

HUD/FHA insures mortgages on homes that are located on allotted trust land under Section 203(b). The appraiser can use this data for background information, but must use the typical appraisal practices for FHA Section 203 addressed in Chapters 3 and 4 of this handbook.

The appraiser must perform the complete appraisal process according to current USPAP and HUD/FHA standards. This includes consideration of all applicable approaches to value and complete development of all applicable approaches, as identified herein.

C-3 APPROACHES TO VALUE

The appraiser must be familiar with the different restrictions and develop the appropriate value for the subject property. The supply of comparable sales and rental transactions vary by site and by tribes. Until sufficient sales exist on a reservation or within the specific Native American area to provide a reasonable sales comparison approach for determining the value of tribal trust leaseholds or allotted land sales, the appraiser must rely on other value indicators. The appraisal process must be documented more thoroughly than a typical market appraisal. USPAP Standards #1 and # 2 are effective to allow the appraiser to "correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal." And "in reporting the results of a real property appraisal an appraiser must communicate each analysis, opinion and conclusion in a manner that is not misleading." An appraisal on trust land may rely more on the cost approach, or data developed from other tribes. HUD will accept the report if the appraiser has documented the search, information developed and conclusions clearly for the intended users to understand.

A. Cost Approach

The cost approach is often the primary indication of value based on the unique nature of the reservation setting. In Conjunction with the completion of this approach on tribal trust sites, the value of the site as vacant does not apply. On the cost approach addenda to the URAR the value of the site is zero or a small leasehold value. if the land lease is at market and there was no upfront payment the lease-fee value is equivalent to the leasehold value, which is zero. This is the typical scenario and no value exists for the underlying land. The appraiser should enter the statement "subject is on Tribal Trust Land with annual rent not capitalized" in comments. If a market exists and the land was purchased, the value is estimated via traditional methods.

1. New Construction

Due to the flexibility allowed by law, HUD permits the inclusion of development costs for new construction, which can exceed market value, to be used in both section 248 and Section 184. Following are instructions specific to new construction on tribal lands. The basic appraisal methodology is addressed in Chapter 4 of this handbook.

In addition to including the cost of water, septic, and any other on-site costs in the cost approach, for lands within the reservation, the appraiser may provide an allowance for off-site development costs. The lesser of actual pro-rated costs or up to 15% of the cost of the construction of the subject house may be added for off-site infrastructure associated with development of the subject lot. This policy applies principally to new construction where such charges are assessed by tribally approved entities such as housing entities or housing authorities, or agreements with other federal or local government bodies for providing power, utilities, sewer/water and/or road construction. The costs to bring utilities; including public water, sewer, electricity, and telephone represent significant development costs. The traditional tract development of residential homes may not be a part of the local culture. Therefore, the utility costs to hook-up to any form of a public system in a more rural area can exceed local standards.

In remote areas, the construction costs in the Marshall & Swift guide or related cost manuals may have to be adjusted for transportation, labor or other costs not included in the basic estimate. Architect fees are not typically reflected in the base building costs. Due to special circumstances the normal allocation for this fee may not automatically reflect the above actual cost. The appraiser must provide a supporting explanation in the adjustments to the construction costs.

2. Existing Construction

Where market sales are limited, HUD requires the cost approach to be completed on all tribal trust appraisals, including a credible estimate of depreciation.

B. Sales Comparison Approach

Native American communities are developing economies at varying rates and degrees. It is important for the lender and HUD to understand the economic factors which affect value. Therefore the appraiser must communicate the local tribal housing market. The sales comparison approach will generally be completed, and in remote areas may involve sales up to 18 months old. Where no credible comparables are available, a narrative justification that discusses the market, and provides any sales, rental or vacancy information pertinent to the

subject will be acceptable to support value developed from the cost approach. In addition to the typical data sources the appraiser may obtain sales information from the local tribal or Bureau of Indian Affairs (BIA) realty office. Sales from other reservations within the region may be considered. Each situation will have unique factors and the appraiser should explain deviations from the sales comparison approach instructions outlined in Chapter 4 of this Handbook. The order of selection preferences for sales would depend on the type of land being appraised.

- Tribal Trust Leasehold sales (market sales between tribal members)
- Sales of allotted land trust between tribal members
- Fee Simple within the Reservation (residual value of the improvements by adjusting out the land contribution)
- Fee Simple proximate to the Reservation

For comparable sales that include land value, an adjustment is required to back-out the raw land value. This adjustment is required when comparing a fee simple comparable sale to a Native American trust sale transaction.

Enter adjustments on the form under "Other" and label as "Raw Land Value," which is determined separately for each of the comparable sales.

C. Income Approach

The income approach is generally not developed with regard to Native American Trust Land. If the property includes a rental unit(s), the appraiser must provide an estimate of monthly rent for each unit and note whether or not the rent is limited to the tribal sub-market. If the appraiser determines that this approach is justified, the appraiser should complete the income approach according to the specifications outlined in Chapter 4 of this Handbook.

D. Reconciliation of Value

The appraiser must determine the market value for the restricted trust properties from the limited data available. Value determination on trust land is an exception to typical HUD/FHA instructions; value is not limited to the lower of cost or market. Where market information is limited, greater weight may be given to the replacement cost approach. Document the decision process and the value.

C-4 HUD/FHA REQUIREMENTS

On loans involving restricted trust land, with either Section 184 or Section 248, HUD waives the requirement of a strict interpretation of market value and will accept loans based on the above market cost approach. All other HUD health, safety, access, and property condition issues must conform to FHA requirements.

The appraiser must indicate if the property is in need of, or in the process of receiving any repairs. Make appropriate requirements for repairs-to-be-completed and appraise the property

"as repaired."

The appraiser must indicate if the property conforms to the applicable Minimum Property Requirements of this Handbook. If it does not, the appraiser must recommend correction of the deficiency or rejection of the loan and explain. Tribally owned and maintained streets and utilities are considered publicly owned. Appraisers must require easements and a maintenance agreement for non-public, common ownership situations.

HUD accepts tribal enforcement of building codes and inspections to the extent they are standard and enforced. At the point tribal support is not available, review and certification that the work complies with an appropriate national standard must be contracted out to a licensed or certified specialist. Example, a tribe issues building permits, but has no provisions for inspections. The lender/borrower must contract with a lender approved qualified specialist such as an engineer, architect or inspector. Inspection/approval by the Indian Health Service is acceptable for individual or community water and sewer systems.

The remaining economic life must be estimated and reported but does not limit the mortgage. The subject property must possess sufficient remaining physical life to warrant a long-term mortgage. The mortgage term may not exceed the remaining physical life of the property.

A. HUD/FHA Section 248 and HUD/ONAP Section 184 Requirements

For both Section 248 and Section 184 programs, the property must be free of hazards, noxious odors, grossly offensive sights or excessive noises which might endanger the physical improvements, affect the livability of the property, its marketability, or the health and safety of its occupants. If any of these conditions exist, the appraiser must recommend correction of the problem or rejection of the loan and explain.

For both programs, the appraiser will make appropriate requirements to correct any observed or potential environmental problems. Many reservations have not been mapped for the 100-year flood plain. If the appraiser observes a possible flood plain problem, they are to require flood insurance on existing properties. The Underwriter may waive the flood insurance requirement if the borrower or the tribe provides an elevation certificate from a licensed engineer that the property is not at risk from flooding. Note that the lowest floor (including basement) for new construction must be at or above the 100-year flood elevation.

B. REPORTING REQUIREMENTS

The appraiser must report if an approach was not developed and insert the rationale for exclusion of the approach. The appraiser must attach an addendum complete with the assumptions supporting the indication of value by the cost approach. The cost approach is reconciled to the other values, if any, on the URAR. The appraiser will indicate any work requirements or VC pursuant to outstanding instructions. The DE underwriter/lender must assure acceptable completion of any work requirements pursuant to existing instructions.

COST AREAS

To accommodate the special conditions associated with remote sites on Native American lands, the following assisted appraisal process is allowed.

The assigned appraisers may network with local personnel where the high cost of real estate appraisals is a concern for underwriting single family mortgages in Native American communities. To minimize this problem, FHA and ONAP will allow the use of trained local personnel to perform the inspection, provide current analysis of the local market, and draft the appraisal report. The report must be forwarded to the assigned appraiser who will review the report, provide additional documentation, sign the URAR and forward the report to the lender.

Using the Assisted Appraisal Process is restricted to remote areas where licensed appraisers are not readily available. It may be used when the cost of transportation and/or time increases the cost of the appraisal to twice the cost of typical appraisals in the local urban areas. The process must be monitored and acceptable to the DE underwriter/lender. The assigned appraiser may use local subcontractors who:

- Have general real estate skills (construction, lending, sales, management) acceptable to the appraiser (such as Housing Authority staff, Tribal Designated Housing Entities (TDHE) staff or BIA realty personnel, local real estate professionals).
- Must comply with the Conflict of Interest limitations (have no personal or financial interest with the buyers or sellers of the property).
- An appraiser who signs a real property appraisal report prepared by another, even under the label of "review appraiser" must accept full responsibility for the contents of the report, USPAP Standard 2-5.
- The assigned appraiser is responsible for the entire appraisal and signs the URAR. The individual assisting in the report must document the extent of help provided and certify no conflict of interest exists in the certification.
- The assigned appraiser must be familiar with the Competency Rule in the USPAP. This includes key issues such as the unique property rights conveyed, the local market involved and market conditions. It is assumed the remote area markets will change slowly. If conditions have changed, an updated analysis is required. The assigned appraiser assumes all responsibility that the appraisal meets all HUD/FHA and ONAP program requirements.